

Message Text

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ACTION AF-08

INFO OCT-01 EB-08 EUR-12 EA-07 ISO-00 FEA-01 INT-05

CIAE-00 INR-07 NSAE-00 /049 W

-----260245Z 101257 /14

R 251123Z MAR 77

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 0105

USDOC WASHDC

INFO AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

LIMITED OFFICIAL USE LAGOS 3375

E.O. 11652: N/WB

TAGS: BENC, ENRG, NI

SUBJECT: MAJOR PROJECT: KADUNA REFINERY

REF: LAGOS 3289

1. EMBASSY UNDERSTANDS FROM FURTHER DISCUSSION WITH SAME

SOURCE CITED REFTEL THAT PRICE AND NOT POLITICS WAS IN FACT MAIN REASON FOR DECISION TO AWARD KADUNA REFINERY CONTRACT TO CHIYODA. ACCORDING TO SOURCE, CHIYODA BID WAS NAIRA 400 MILLION (DOLLARS 640 MILLION), FULLY NAIRA 100 MILLION UNDER BID BY TECHNIP/TECHIPETROL.

2. TECHIP'S BID OF NAIRA 500 MILLION (DOLLARS 800 MILLION) APPEARS TO HAVE BEEN IN LINE WITH WHAT UNSUCCESSFUL U.S. BIDDERS LIKE LUMMUS AND FLUOR ESTIMATED PRICE WOULD BE IN PREVIOUS DISCUSSIONS WITH EMBASSY. IN FACT, WHEN QUESTIONER EXPRESSED SKEPTICISM ABOUT CHIYODA'S LOW BID, SOURCE ADMITTED THAT MINISTRY PETROLEUM RESOURCES ITSELF BELIEVED TECHNIP BID MORE IN LINE WITH PROBABLE COSTS THAN CHIYODA FIGURE.

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HOWEVER, SOURCE SAID, WHEN IT BECAME CLEAR CHIYODA DEAD SET ON GETTING CONTRACT, MPR DECIDED TAKE ADVANTAGE OF CONSIDERABLE SAVING. MPR FULLY EXPECTS CHIYODA TO APPEAL FOR COST OVER-RUNS BUT FEELS CONFIDENT THAT CONTRACT IS AIRTIGHT AND WILL LOCK CHIYODA INTO ITS ORIGINAL COST FIGURES.

3. SOURCE SAID MPR FEELS SOMEWHAT SAFER IN ACCEPTING LOW BID

BECAUSE CHIYODA WILL LICENSE PROCESS TECHNOLOGY FROM COMPANIES
WITH HIGH INTERNATIONAL STANDING, INCLUDING MANY U.S. FIRMS.
FOR EXAMPLE, UOP FOR DESULFURIZATION, KELLOGG FOR CATALYTIC
CRACKING DUPONT FOR ADDITION OF LEAD TO GASOLINE, INSTITUT
FRANCAIS DU TETRPL FOR REFORMING, AND SHELL FOR LUBE OIL
MANUFACTURE.
CROSBY

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REFINERIES, CONTRACTS, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LAGOS03375
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770103-0954
Format: TEL
From: LAGOS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770323/aaaaatch.tel
Line Count: 69
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 998961b2-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 LAGOS 3289
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2998969
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: KADUNA REFINERY
TAGS: BENC, ENRG, NI, CHIYODA
To: STATE COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/998961b2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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